## American Rescue Plan Act Fiscal Recovery Funds for Non-Entitlement Units of Local Government

How to Apply for Funding

June 17, 2021



#### **ARP Fiscal Recovery Funds - US Treasury Guidance Documents**

- Interim Final Rule (Published Guidance)
- Fact Sheet
- Frequently Asked Questions
- Frequently Asked Questions on Distribution of Funds to Non-entitlement Units (NEU) of Local Government
- Guidance to Distribute Funds to Non-entitlement Units (NEU) of Local Government
- ARP: Application of Lessons Learned from the Coronavirus Relief Fund



### **ARP Fiscal Recovery Funds - Goals of Funding**



To support urgent COVID-19 response efforts to decrease spread of the virus and bring the pandemic under control.



To replace lost public sector revenue to strengthen support for vital public services and help retain jobs.



To support immediate economic stabilization for households and businesses.



To address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

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#### **ARP Fiscal Recovery Funds - 4 Eligible Use Categories**

01

Support public health expenditures/ address negative economic impacts

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02

Replace lost public sector revenue

**Eligible Use Categories** 

03

Provide premium pay for essential workers





04

Invest in water, sewer, and broadband infrastructure

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#### **ARP Fiscal Recovery Funds – How to Apply**

Non-entitlement Units (NEUs) of Local Government within the State of Maryland can now request their allocation of Fiscal Recovery Funds by submitting a Request for Coronavirus Fiscal Recovery Funds form. NEUs have until **June 30, 2021** to request/deny funding. To comply with guidelines set forth by the U.S. Treasury, NEUs will need to submit:

- Local government's payment information
  - Local government name, Entity's Taxpayer Identification Number, DUNS number, <u>Sam.gov</u> number, and address.
  - Authorized representative name, title, and email.
  - Contact person name, title, phone, and email.
  - Financial institution information (e.g., routing and account number, financial institution name and contact information).
- Local government's total annual budget (defined as total annual operating budget, including the general fund and other funds, in effect as of January 27, 2020). Backup budget documentation is not required but the State can assist with validation.
- Signed Agreements (emailed separately to <u>arpa.neuadmin@maryland.gov</u>)
  - Award Terms and Conditions
  - Assurances of compliance with Title VI of the Civil Rights Act of 1964

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#### **ARP Fiscal Recovery Funds - Common Issues Identified**

To date, Maryland has received approximately 49 percent of NEU applications. Among those who have submitted documentation, there have been some common issues that the State has identified and are following-up with NEUs to complete before approving payment. These include:

- 1. NEUs should submit their budget as of January 27, 2020. Some NEUs have been submitting their annual budget amount as of this current fiscal year.
- 2. NEUs are not emailing 2 signed agreements and/or budget supporting documentation.
- Signatures, addresses, and/or DUNs number are not clearly legible of required signed agreements.
- Inactive DUNS and/or SAM.gov number



#### **ARP Fiscal Recovery Funds - Frequently Asked Questions**

- 1. When is the deadline to submit a Request for Coronavirus Local Fiscal Recovery Funds?
  June 30, 2021
- 2. How will I know if my *Request for Coronavirus Local Fiscal Recovery Funds* are approved and how much my municipality will receive?

Upon approval, the State will send an email to the Authorized Representative and Primary Point of Contact listed on your application notifying you of your approval, approved allocation amount, and details on when to expect payment (typically within one week). The State's Department of Housing and Community Development will be administering payment and may call to validate financial information submitted.

3. What happens if my municipality denies our CLFRF allocation?

If your municipality denies CLFRFs, the State will follow up with you individually and your allocated amount will revert to the State.



Maryland

#### **ARP Fiscal Recovery Funds - Frequently Asked Questions continued**

4. What is my municipality's award amount based on? How did Maryland perform this calculation?

The State of Maryland performed the calculation identified by the US Treasury which is based on the proportion of the population in the NEU as a share of the total population of all NEUs in the State. However, the total amount to be distributed to an NEU may not exceed the amount equal to 75 percent of its total annual budget as of January 27, 2020. If your NEU's allocation does exceed 75 percent of its most recent budget as of January 27, 2020, your allocation was adjusted to 75 percent of your budget submitted, pursuant to US Treasury guidelines.

5. Who can I contact if I have any questions about my allocation or payment?

For any questions about your municipality's allocation or payment, please email <a href="mailto:arpa.neuadmin@maryland.gov">arpa.neuadmin@maryland.gov</a>.



#### **ARP Fiscal Recovery Funds - Reporting Requirements and Timing**

**Project and Expenditure Reports:** First report covers activity from the date of the award to September 30, 2021 and must be submitted to Treasury no later than October 31, 2021.

- Reports thereafter will be submitted annually by October 31st through the period of performance ending on December 31, 2026.
- In addition waiting for other reporting requirements from US Treasury, NEUs will be asked to provide the following to the US Treasury:
  - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
  - Copy of signed award terms and conditions agreement
  - Copy of signed assurances of compliance with Title VI of the Civil Rights Act of 1964
  - Copy of actual budget documents validating the topline budget total provided to the State as part of the request for funding

#### TIMING:

- Costs must be incurred by December 31, 2024 and may be spent through the period of performance ending on December 31, 2026.
- Funding will be received in two tranches with the first payment upfront and the second payment to follow one year later.





# QUESTIONS?

For any questions following this webinar, please email: <a href="mailto:arpa.neuadmin@maryland.gov">arpa.neuadmin@maryland.gov</a>

